

Exhibit 300 (BY2008)

PART ONE	
OVERVIEW	
1. Date of Submission:	2006-11-07
2. Agency:	015
3. Bureau:	45
4. Investment Name:	Correspondence Imaging System (CIS) - Release 2 - Major
5. UPI:	015-45-01-14-01-2465-00
6. What kind of investment will this be in FY2008?	
Acquisition	
7. What was the first budget year this investment was submitted to OMB?	
FY2008	
8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.	
<p>The Correspondence Imaging System (CIS) has been developed in two different releases (Release 1.0 and Release 2.0), which are two related but separate projects. CIS Release 1.0 has been fully deployed and is operational. CIS Release 2.0 expanded on (reuse of system components) the original system to deliver the business functionality. Overall, CIS provides an image-based system to replace the current paper Accounts Management processes. Customer Service Representatives work from an electronic image and workflow management system using the same workstation they used to access Integrated Data Retrieval System (IDRS). Inventories, including taxpayer correspondence, Amended Individual Income Tax Return (Forms 1040X), internal notices and transcripts (Release 1.0 is for Individual Master File (IMF) only). All documents that are scanned into the system are maintained and managed electronically. CIS enhances corporate workload management by tracking and monitoring inventory and receipts in real-time. Reports are available for any level of the organization, by document type and age. CIS provides enhanced ability to balance Adjustments workload between campuses. If necessary, imaged cases can be systemically routed to the desired campus based on business rules. Workload alignment and management are accomplished through electronic transfer of receipts from one campus to another.</p>	
9. Did the Agency's Executive/Investment Committee approve this request?	
yes	
9.a. If "yes," what was the date of this approval?	
2006-08-09	
10. Did the Project Manager review this Exhibit?	
yes	
11. Project Manager Name:	
Strudel, Barbara	
Project Manager Phone:	
512.460.2292	
Project Manager Email:	
barbara.j.strudel@irs.gov	
12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.	
no	
12.a. Will this investment include electronic assets (including computers)?	
yes	
12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)	
no	
13. Does this investment support one of the PMA initiatives?	

yes	
If yes, select the initiatives that apply:	
Expanded E-Government	
13.a. Briefly describe how this asset directly supports the identified initiative(s)?	
The Correspondence Imaging System (CIS) Release 2.0 supports the 'Expanding Electronic Government' (E-Government) initiative of the President's Managements Agenda (PMA) by delivering IRS operational and processing efficiencies as a result of imaged correspondence, automated workflow tools and the electronic capture of detailed account history information. These tools enable the IRS to provide an enhanced level of service to taxpayers and provide the infrastructure for the Internal Revenue Service (IRS) to provide enhanced electronic services to taxpayers in the future.	
14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?	
no	
15. Is this investment for information technology (See section 53 for definition)?	
yes	
16. What is the level of the IT Project (per CIO Council's PM Guidance)?	
Level 1	
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)	
(2) Project manager qualification is under review for this investment	
18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?	
yes	
19. Is this a financial management system?	
no	
19.a.1. If yes, which compliance area:	
Not Applicable - not a financial management system.	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	
Hardware	9
Software	12
Services	79
21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?	
no	
22. Contact information of individual responsible for privacy related questions.	
Name	
Susan Dennis	
Phone Number	
202.622.5438	
Title	
Management & Program Analyst	
Email	
susan.dennis@irs.gov	
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?	
yes	
SUMMARY OF SPEND	
1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE	

Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 & Earlier	PY	CY
	-2005	2006	2007
Planning Budgetary Resources	5.000	0.000	2.000
Acquisition Budgetary Resources	0.000	0.000	4.944
Maintenance Budgetary Resources	0.000	0.000	0.000
Government FTE Cost	4.000	0.000	3.353
# of FTEs	8	15	22

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov.

Table 2

	Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
1	2007	Customer Results	Service Efficiency	Reduce Balance Due Notices (501, 502, & 504) by issuing a STAUP (status update) command. This will ensure no new systematic actions and eliminate notices.	6 Million Notices	5.9 Million Notices - Reduce notices sent out by 100,000	
2	2007	Processes and Activities	Productivity	Reduce Wage & Investment Accounts Management Clerical Staffing by centralizing clerical support	278 Full-Time Equivalent (FTE)	272 Full-Time Equivalent (FTE) - Reduce staffing by 6 FTEs	

				functions and eliminating the need to manually process paper by the implementation of an Image Control Team (ICT) at each campus.			
EA							

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

This investment will be identified as the Correspondence Imaging System in the next release of Treasury Enterprise Architecture (EA) Transition Strategy. It has passed the SELECT process and is submitting initial architecture information via this Exhibit 300.

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	Document Imaging and OCR	CIS R 2.0 provides document imaging and OCR through its Kodak scanners and Kofax Accent Capture imaging software. The documents are scanned, validated and then released to the system for assignment to a CSR.	Document Management	Document Imaging and OCR			No Reuse	20
2	Indexing	CIS R 2.0 provides document management indexing through IBM Content Manager Document Management software. After documents are imaged and released to the system, they are indexed by a library manager for retrieval at a later point. When a user requests a system document, the library manager will provide the location of the source document for retrieval by the system.	Document Management	Indexing			No Reuse	10
3	Tax Account Management Business Logic	Manages the lifecycle of cases/issues or data for Taxpayer examinations/collections/appeals/litigation/criminal investigations	Tracking and Workflow	Process Tracking			No Reuse	50

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Document Library	Service Platform and Infrastructure	Delivery Servers	Application Servers	IBM Content Manager
2	Document Imaging and OCR	Service Platform and Infrastructure	Hardware / Infrastructure	Peripherals	Kofax Accent Capture Imaging Software
3	Process Tracking	Service Platform and Infrastructure	Delivery Servers	Application Servers	IBM Content Manager

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

5.a. If yes, please describe.

No.

6. Does this investment provide the public with access to a government automated information system?

no

PART TWO

RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2005-01-21

1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?

no

1.c. If yes, describe any significant changes:

Not applicable.

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule: (O&M investments do NOT need to answer.)

Both the life-cycle cost estimates and the investment schedule are risk-adjusted. Through the project life cycle, the project team has estimated both cost and schedule factors to mitigate significant project risks. When appropriate these mitigation factors are incorporated into both the project's cost estimations and schedules according to sound project management practices.

COST & SCHEDULE

Does the earned value management system meet the criteria in ANSI/EIA Standard 748?

no

2.a. What is the Planned Value (PV)?

2.227

2.b. What is the Earned Value (EV)?
1.581
2.c. What is the actual cost of work performed (AC)?
1.568
What costs are included in the reported Cost/Schedule Performance information?
Contractor and Government
2.e. As of date:
2007-01-17
3. What is the calculated Schedule Performance Index (SPI= EV/PV)?
0.71
4. What is the schedule variance (SV = EV-PV)?
-0.647
5. What is the calculated Cost Performance Index (CPI = EV/AC)?
1.01
6. What is the cost variance (CV = EV-AC)?
0.013
7. Is the CV or SV greater than 10%?
yes
7.a. If yes, was it the CV or SV or both?
CV
7.b. If yes, explain the variance.
7.c. If yes, what corrective actions are being taken?
Not applicable.
7.d. What is most current Estimate at Completion?
14.195
8. Have any significant changes been made to the baseline during the past fiscal year?
no